

OFFICIAL TERMS AND CONDITIONS OF THE SALE OF TAX DEFAULTED PROPERTY

2014B ONLINE AUCTION – May 28, 29, and 30, 2014

A. All bidders must register between Monday, April 28, 2014, and Wednesday, May 21, 2014.

YOU MUST REGISTER IN ADVANCE WITH BID4ASSETS

- To register and/or participate via computer, go to: bid4assets.com.
- To register and/or participate without a computer/by mail or fax: Call Bid4Assets at 1-877-427-7387.
 - Request an "Offline Bid Packet" no later than **Thursday, May 15, 2014**. You may also download and print the Offline Bid Form at bid4assets.com and follow the instructions on the form.
 - The "Offline Bid Packet" must be received by Bid4Assets no later than Wednesday, **May 21, 2014**.
- **DO NOT REGISTER WITH THE COUNTY.**
- There is no physical address to register in person.

YOU MUST SUBMIT A BID DEPOSIT IN ADVANCE TO BID4ASSETS.

- A Bid Deposit of \$5,000 (plus a \$35 processing fee) is required in order to bid.
- Bid Deposits must be in the form of a bank wire transfer, bank-issued money order, or cashier's check. Other money orders and personal or business checks will not be accepted.
- Payment must be received by Bid4Assets no later than Wednesday, May 21, 2014, at 4:00 p.m. (Eastern Time). Please contact Bid4Assets directly for instructions and questions pertaining to Bid Deposits.
- **DO NOT SUBMIT BID DEPOSITS TO THE COUNTY.**
- Deposit will be applied to your first purchase at the tax sale.
- All winning bidders that have an unused deposit amount or overpayment (bid deposit that is greater than the balance due at the end of the auction) will be refunded by County Warrant issued in the name of the registered bidder and mailed to the address indicated on the Bidder Registration Form within **30 calendar days** after the auction has ended.
- All non-winner deposits will be refunded in the name of the registered bidder by Bid4Assets within **ten business days** after the auction has ended.

VESTING – COMPLETED AFTER THE SALE. At the end of the tax sale all winning bidders will be sent an email from Bid4Assets with a link to a form to submit vesting information. It is important to provide vesting information as it determines the person or entity that will take property ownership, as well as other required responsibilities including property tax liability. Once the vesting information is submitted, no changes will be accepted.

Examples of vesting:

- | | |
|---|---|
| • A SINGLE MAN | • A SINGLE WOMAN |
| • A MARRIED MAN | • A MARRIED WOMAN |
| • AN UNMARRIED MAN | • AN UNMARRIED WOMAN |
| • A WIDOWER (MAN) | • A WIDOW (WOMAN) |
| • A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY | • A MARRIED WOMAN AS HER SOLE AND SEPARATE PROPERTY |
| • TENANTS IN COMMON | • HUSBAND AND WIFE AS JOINT TENANTS |
| • A CORPORATION | • A PUBLIC AGENCY |
| • OTHER | • LIMITED LIABILITY CO. (LLC) |

B. PLACE, DATE, AND TIME OF SALE

The Online Auction of tax defaulted real property will be conducted at:

Place: bid4assets.com/losangeles

Date: May 28, 29, and 30, 2014

The auction will start on Wednesday, **May 28, 2014**, at 10:00 a.m. (Pacific Time) and run continuously through Friday, **May 30, 2014**, until 12:00 p.m. (Pacific Time). Individual properties may be open for bidding beyond the end time as long as there is active bidding.

C. CAUTION: INVESTIGATE BEFORE YOU BID

The purpose of the tax sale is to collect the unpaid taxes and to convey the tax defaulted property to a responsible owner. These properties are subject to the Tax Collector's power to sell because the property taxes have not been paid for three years or more (five years in the case of residential property). Parties interested in bidding on property are strongly encouraged to investigate the subject property to assure themselves that the property meets their needs. The information provided in the list of properties is only intended to identify the properties for sale. We make no warranties or representations about other matters beyond our ability to provide the basic tax information as it appears in the County's official property tax records, and to convey title as described in Section K.

The Tax Collector cannot guarantee the condition of any property nor assume any responsibility for conformance to codes, permits or zoning ordinances. An investigation may reveal that the property is part of a street or alley, in a flood control channel or landlocked (having no means of ingress and egress). Improvements that are shown on the tax sale list may no longer exist at the time of the auction, and a lien may have been or may in the future be placed on the property. Streets shown as such on the maps offered by the Los Angeles County Assessor's Office may or may not exist, and in some cases may be future streets. **The burden is on the purchaser to thoroughly research, before the tax sale, any matters relevant to his or her decision to purchase. You should inspect the property before bidding or purchasing. Tax defaulted property is sold on an "as is" basis.**

The County makes no warranty, either expressed or implied, relative to usability, ground location, or property lines of the properties. The prospective purchaser must determine the exact location, desirability, and usefulness of the properties. **Refund of any purchase or any payment on a purchase agreement will NOT be made based upon a bidder's error or failure to investigate.**

The County assumes no liability for any other possible liens, encumbrances or easements, recorded or not recorded. **All properties should be investigated thoroughly prior to purchase.**

D. MINIMUM BID

The minimum price for all properties offered in the 2014B Online Auction is \$1,125.

E. PROPERTIES IN THE TAX SALE

You may bid on any property at any time so long as it is available to be bid upon. If a particular property is not activated for bidding, it means that it has been redeemed, withdrawn prior to the sale, or the time period for bidding has expired.

Weekly updates of properties remaining in the auction will start Wednesday, **April 30, 2014**, and daily updates will start Monday, **May 19, 2014**, on the Bid4Assets website.

F. BIDDING INFORMATION

BIDDING WILL BE IN INCREMENTS OF \$100. ALL SALES ARE FINAL.

- Each property at this sale will be sold to the highest bidder.
- Even if the successful bidder mistakenly bids on the wrong property, the sale will remain final.
- Payment in full of the required amount, plus any applicable charges/taxes outlined in Section I, is required to be paid as described in the Winner's email after the sale (except for sales in excess of \$5,000 as described in Section G).

G. PAYMENT FOR PROPERTY PURCHASED AT TAX SALE

At the end of the tax sale, all winning bidders will be sent an email from Bid4Assets with payment instructions.

Deferred Payment Option:

If the bid on any one item is more than \$5,000, the successful bidder can defer payment of the outstanding balance. All outstanding balances (deferred payments) must be received **in** Bid4Assets' Office at 8757 Georgia Avenue, Suite 520 Silver Springs, MD 20910, **no later than 4:00 p.m. (Eastern Time), on Wednesday, June 4, 2014, and the payment must be in the form of a bank wire transfer, bank-issued money order or cashier's check.** Title will not be transferred unless the total purchase price is received by the due date. See Section H for more information on the pay-off deadline.

H. FORFEITED SALES

If the buyer fails to pay the balance on or before 4:00 p.m. (Eastern Time) on **Wednesday, June 4, 2014**, the deposit is forfeited, and the buyer obtains no rights to the property.

Bidders who do not complete the sale for any reason may be banned from participating in future auctions for up to five years at the discretion of the Treasurer and Tax Collector pursuant to California Revenue and Taxation Code Section 3456.

I. ADDITIONAL TAXES/CHARGES ON PROPERTIES PURCHASED AT THE AUCTION

- A \$35 processing fee will be added to the winning bid on each parcel.
- When applicable, Survey Monument fees, Documentary Transfer Taxes, and City Transfer Taxes will be collected in addition to the purchase price. City Transfer Taxes will apply to those properties located in the following cities:

Culver City	\$4.50 per	\$1,000
Los Angeles	\$4.50 per	\$1,000
Pomona	\$2.20 per	\$1,000
Redondo Beach	\$2.20 per	\$1,000
Santa Monica	\$3.00 per	\$1,000
Documentary Transfer Taxes per property	\$0.55 per	\$ 500

J. LIENS THAT ARE NOT REMOVED BY TAX SALE

A tax deed will cancel all private liens (such as Deeds of Trust, Mechanic's Liens, Judgments, etc.), as well as all prior delinquent taxes. ***Public liens such as Improvement Bonds, Mello-Roos Special Tax liens, Demolition liens, Weed Abatement liens, etc., or foreclosure judgments of those public liens, WILL NOT be discharged with a tax deed.***

Pursuant to Section 3712 of the Revenue and Taxation Code, the deed conveys title to the purchaser free of all encumbrances of any kind existing before the sale, **EXCEPT** for:

- (a) Any lien for installments of taxes and special assessments, which installments will become payable upon the secured roll after the time of sale.
- (b) The lien for taxes or assessments or other rights of any taxing agency which does not consent to the sale of the property at auction.
- (c) Liens for special assessments levied upon the property conveyed which were, at the time of the sale, not included in the amount necessary to redeem the tax defaulted property and, where a taxing agency which collects its own taxes has consented to the sale.
- (d) Easements of any kind, including prescriptive, constituting servitudes upon or burdens to the property; water rights, the record title to which is held separately from the title to the property; and restrictions of records.
- (e) Unaccepted, recorded, irrevocable offers of dedication of the property to the public or a public entity for a public purpose, and recorded options of any taxing agency to purchase the property or any interest therein for a public purpose.
- (f) Unpaid assessments under the Improvement Bond Act of 1915 (Division 10 [commencing with Section 8500] of the Streets and Highways Code) which are not satisfied as a result of the sale proceeds being applied pursuant to Chapter 1.3 (commencing with Section 4671) of Part 8.
- (g) Any Federal Internal Revenue Service (IRS) liens, pursuant to provisions of federal law, are **not** discharged by the sale, even though the Tax Collector has provided proper notice to the IRS before the sale. Before contacting the IRS on properties with IRS liens, you **must** obtain the following information/documentation:
 - 1. IRS Code 7425C for information on IRS's Redemption Rights and Release of Right of Redemption.
 - 2. Copy of the Federal Tax Lien filed against the property you are interested in purchasing that has been recorded with the Los Angeles Registrar-Recorder/County Clerk's Office located at 12400 Imperial Highway, Norwalk, California 90650.
 - 3. The IRS Foreclosure Redemption Section can be reached at (213) 576-3103. The IRS will not be able to assist you without the above information.
- (h) Unpaid special taxes under the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 [commencing with Section 53311] of Part 1 of Division 2 of Title 5 of the Government Code) that are not satisfied as a result of the sale proceeds being applied pursuant to Chapter 1.3 (commencing with Section 4671) of Part 8.
- (i) Weed Abatement charges resulting in liens are **not** cancelled by tax sale. Review the list of properties subject to weed and brush clearance abatement provided by Los Angeles County Agricultural Commissioner/Weights and Measures and the Los Angeles City Fire Department. For information from the Agricultural Commissioner, call (626) 575-5488 or visit its website at acwm.lacounty.gov, and click on "Weed Abatement Program Information." Also, the Los Angeles City Fire Department maintains a list of properties that have been assessed Brush Clearance Charges. You can contact the Los Angeles City Fire Department Brush Clearance Unit at (213) 978-3424.

Caution: all properties having liens described in the above Section will survive the sale and may not be identified as such. Investigate before you purchase.

K. TITLE

Title to "Tax Defaulted Property Subject to the Power of Sale" does not pass to the purchaser until a tax deed is **issued** and **recorded**. Tax deeds will be recorded approximately **60 – 70 days after the sale**.

- DO NOT trespass, engage in any activity, or make any construction expenditure on any property you purchase until you have received your tax deed from the Los Angeles County Registrar-Recorder/County Clerk's Office.
- DO NOT attempt to collect rents, dispossess, or in any way contact tenants.
- After recording, the tax deed(s) will be mailed directly to the purchaser(s) by the Registrar-Recorder/County Clerk's Office.
- The Treasurer and Tax Collector **does not** provide the purchaser with a title insurance policy and makes no representations or warranties with respect to the condition of the title. Prospective purchasers are advised to contact title insurance companies prior to the auction and obtain information regarding the availability of title insurance for properties that have been purchased at the Los Angeles County Treasurer and Tax Collector's Tax Sale.

REDEMPTION OF A PROPERTY WILL PRECLUDE ANY TRANSFER OF OWNERSHIP. THE ASSESSEE OF RECORD RETAINS TITLE TO ANY PROPERTY REDEEMED PRIOR TO THE TAX SALE.

Tax defaulted properties subject to the Tax Collector's Power to Sell can only be redeemed on or before the close of business on the last business day prior to the date of the sale, no later than **Tuesday, May 27, 2014, at 5:00 p.m. (Pacific Time)** to prevent the sale of the property. There is no extended right of redemption in the State of California.

NOTE: Neither the State of California, nor the County of Los Angeles, nor any person designated by these agencies are liable for damages sustained to the property purchased at auction from the time of the sale until the recordation of the tax deed transferring the property.

L. WITHDRAWAL OF A PORTION OF A PROPERTY THAT IS FOR SALE

If a portion of a property is being sold to a taxing agency or a partial redemption is instituted, the Treasurer and Tax Collector reserves the statutory authority to withdraw that portion from the whole and sell the remaining part only. This information will be included with any corresponding properties and anyone purchasing the same will do so with the full knowledge and acceptance that the property being sold is exclusive of a portion and not as advertised or set forth in the initial auction list.

M. CONTAMINATED PROPERTIES

You can obtain information regarding contaminated properties from the following agencies: (1) Los Angeles County Department of Public Works, Environmental Program Division located at 900 S. Fremont Ave., Third Floor Annex, Alhambra, CA 91803, (626) 458-3517, and the City of Los Angeles Department of Public Works Bureau of Sanitation at 1149 S. Broadway, Los Angeles, CA 90015, (213) 485-3791; (2) the California Department of Toxic Substances Control maintains the Superfund cleanup list of sites contaminated with hazardous substances referred to as "CalSites." The Superfund list of sites can be obtained from the California Environmental Protection Agency, Department of Toxic Substances Control at the CalSites Help Desk (877) 786-9427 or (916) 323-3400 and at envirostor.dtsc.ca.gov/public/; and (3) the Water Quality Control Board, which maintains a list of properties that may be contaminated. The website for most properties in Los Angeles County is waterboards.ca.gov/losangeles and for properties in the Antelope Valley waterboards.ca.gov/lahontan.

Please be aware that not all contaminated property sites are on the Superfund list or identified by the Department of Public Works, the City of Los Angeles, or listed on any of the sites listed above. If the Los Angeles County Tax Collector has knowledge of contaminated property, that information may be provided at the Tax Collector's website at ttc.lacounty.gov.

However, the Tax Collector is NOT always aware of the condition of the properties in the sale and does not conduct any investigation to determine or confirm the existence or extent of the contamination. Therefore, it is ultimately the purchaser's responsibility to investigate the condition and desirability of the property before purchasing at the tax sale. Again, we urge you to conduct your own investigation and contact the above agencies if you suspect contamination.

N. DISASTER RELIEF

Property that has sustained damage due to a local, state, or federally declared disaster, and has not been substantially repaired within five years from the date of said disaster, may be not be eligible to be offered for sale at county auction for up to 10 years after the date of said disaster. If property has been tax defaulted for five years or more prior to the date of the disaster, and if the power to sell has been recorded prior to the disaster, such property shall be subject to sale without regard to the date of the disaster.

O. BANKRUPTCY

Bidders must disclose on the Bidder Registration Form if they are currently in bankruptcy. Eligibility of persons with active bankruptcies to participate as a bidder will be evaluated on a case-by-case basis by the Los Angeles County Counsel.

P. TAX SALE CANCELLATION RIGHTS OF THE LOS ANGELES COUNTY TAX COLLECTOR

As a condition of participating in the County of Los Angeles Treasurer and Tax Collector's online public auction, the successful bidder consents to the cancellation of the sale if the County subsequently determines that a property sold by the Tax Collector should not have been sold because it was publicly owned property, not in tax-default, or for any other legal reason. If the tax deed has not been recorded, the County of Los Angeles has the right to cancel the sale and refund the deposit and purchase price without additional consent or further action by the purchaser.

Q. ACKNOWLEDGEMENT OF TERMS AND CONDITIONS

ANY BID AT THE AUCTION IS MADE SUBJECT TO ALL OF THE FOREGOING TERMS AND CONDITIONS. BY BIDDING, THE BIDDER ACKNOWLEDGES AND AGREES TO SUCH TERMS AND CONDITIONS AND EXPRESSLY WAIVES ANY OBJECTION, CLAIM, OR RIGHT TO RESCIND A BID OR ANY PURCHASE ARISING THEREFROM.

CAUTION - INVESTIGATE BEFORE YOU BID

ALL SALES ARE FINAL - INVESTIGATE BEFORE YOU PURCHASE

**MARK J. SALADINO
TREASURER AND TAX COLLECTOR**